

Message Text

UNCLASSIFIED

PAGE 01 BONN 13933 251729Z
ACTION EUR-12

INFO OCT-01 ISO-00 FRB-01 EB-08 COME-00 OMB-01 TRSE-00
CIAE-00 INR-07 NSAE-00 CEA-01 /031 W
-----055458 260223Z /64

R 251722Z AUG 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 0928
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS BONN 13933

USEEC, USOECD

DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652: N/A
TAGS: ECON;EFIN, GW
SUBJECT: BUNDESBANK PROVIDES LIQUIDITY SUPPORT FOR BANKS

1. AT TODAY'S MEETING THE CENTRAL BANK COUNCIL OF THE
BUNDESBANK ANNOUNCED THE FOLLOWING:

- (A) EFFECTIVE SEPTEMBER 1, THE BANKS' MINIMUM RE-
SERVE RATIOS WILL BE REDUCED BY 10 PERCENT.
THIS WOULD RELEASE DM 4.5 BILLION FROM THE BANKS'
REQUIRED RESERVES.
- (B) EFFECTIVE IMMEDIATELY, THE BANKS' REDISCOUNT
QUOTAS WILL BE INCREASED BY ABOUT DM 2 BILLION.

2. IN A SHORT COMMENT THE COUNCIL
STATED THAT THIS WOULD HELP THE BANKS TO REDUCE BORROW-
ING FROM THE LOMBARD FACILITY AND THE SPECIAL REDISCOUNT
FACILITY. UNDER THE LATTER FACILITY THE BUNDESBANK
PURCHASES FROM BANKS BILLS ABOVE THEIR NORMAL REDISCOUNT
QUOTAS FOR A PERIOD OF 10 DAYS AT AN INTEREST RATE OF
3 1/2 PERCENT. ON AUGUST 15, 1977, THE BANKS' LOMBARD
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 13933 251729Z

BORROWINGS AMOUNTED TO DM 2.1 BILLION AND THEIR BORROW-
INGS MADE UNDER THE SPECIAL REDISCOUNT FACILITY TO
DM 5.4 BILLION.
MEEHAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BANKS, CENTRAL GOVERNMENT, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN13933
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770308-0583
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770825/aaaaausw.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 08727053-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1491363
Secure: OPEN
Status: NATIVE
Subject: BUNDESBANK PROVIDES LIQUIDITY SUPPORT FOR BANKS
TAGS: ECON, EFIN, GE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/08727053-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009